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FM AMEMBASSY TRIPOLI
TO RUEHC/SECSTATE WASHDC PRIORITY 5316
INFO RHEHAAA/NSC WASHINGTON DC
RUEHHE/ARAB LEAGUE COLLECTIVE
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUETRS/DEPT OF TREASURY WASHINGTON DC
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0030
RUEHGA/AMCONSUL CALGARY PRIORITY 0008
RUEHVT/AMEMBASSY VALLETTA PRIORITY 0454
RUEHRO/AMEMBASSY ROME PRIORITY 0620
RUEHTRO/AMEMBASSY TRIPOLI 5863

C O N F I D E N T I A L SECTION 01 OF 02 TRIPOLI 000778

SIPDIS STATE FOR NEA/MAG; STATE PLEASE PASS USTR; COMMERCE FOR NATE MASON; ENERGY FOR GINA ERICKSON; PARIS AND LONDON FOR NEA WATCHERS E.O. 129

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SUBJECT: LIBYAN SOVEREIGN WEALTH FUND AGREES TO BUY CANADIAN OIL FIRM VERENEX REF: A) TRIPOLI 148; B) TRIPOLI 517 TRIPOLI 00000778 001.2 OF 002
CLASSIFIED BY: Joan Polaschik, DCM, U.S. Embassy Tripoli, Department of State. REASON: 1.4 (b), (d)

1.(C) Summary: After many months of delay on the part of the Libyan government, Canadian oil exploration firm Verenex has reached a tentative \$ VERENEX SEES 30 PER CENT DROP IN SALE PRICE AS RESULT OF NEW DEAL WITH LIBYAN INVESTMENT AUTHORITY

2.(C) Jim McFarland (strictly protect), CEO of Canadian oil exploration firm Verenex, confirmed to Econoff that the Libyan sovereign wealth fund THE DEAL SHOULD CONCLUDE BY OCTOBER 20 BUT SHAREHOLDERS MAY NOT AGREE

3.(C) McFarland said Verenex had signed a Memorandum of Understanding (MOU) with the LIA and that the LIA had hired UK lawyers to assist with t WHY IS THE LIBYAN INVESTMENT AUTHORITY (LIA) BUYING VERENEX?

[¶4.](#) (C) The Libyan Government's choice of the LIA as the state-owned entity that will buy Verenex is an interesting one. A possible buyer could

5.(C) Comment: While the Verenex sale to the Libyan government is relatively small (approximately \$ 300 million US dollars), the Canadian compa